

**RUBIN AND RUDMAN LLP**

COUNSELLORS AT LAW

50 ROWES WHARF ? BOSTON, MASSACHUSETTS 02110-3319  
(617) 330-7000 ? FACSIMILE: (617) 439-9556 ? FIRM@RUBINRUDMAN.COM

Andrew J. Newman  
Direct Dial: (617) 330-7031  
E-mail: anewman@rubinrudman.com

December 24, 2003

BY HAND

Mary L. Cottrell, Secretary  
Massachusetts Department of Telecommunications and Energy  
One South Station  
Boston, MA 02110

Re: Massachusetts Electric Company, DTE 03-123 ("Time to Choose"); DTE 03-124  
("Exogenous Factor"); and DTE 03-126 ("Rate Reconciliation")

---

Dear Secretary Cottrell:

Massachusetts Electric Company (the "Company") has filed a number documents regarding its proposed standard offer service ("SOS") charge for calendar year 2004 in the above entitled dockets. Alternate Power Source, Inc. ("APS"), an independent retail power marketer registered in the Commonwealth files these comments in connection therewith.

APS is advised that the Company withdrew its request for a fixed standard offer fuel adjustment ("SOSFA") in DTE 03-123 on Friday December 19, 2003. At the same time the Company requested a SOSFA in the amount of 1.223 cents per kWh and further requested a standard offer adjustment factor ("SOAF") as a result of its deferral of approximately \$57 million in SOS costs. To the extent that the deferred costs are prudent, APS supports recovery of them in the SOAF from SOS customers.

In addition, the Company requested an exogenous factor ("Factor") in DTE 03-124. The Factor filing indicates that the proposed Factor is comprised of \$5,184,557 of SOS costs as indicated in Exh. MJH-1 and a credit of \$2,064,714 related to bonus depreciation as indicated in Exh. TMB-2. The Company has requested that the net amount of these costs be recovered in a Factor applicable to all ratepayers. APS objects to the collection of the SOS related costs in the Factor from all ratepayers including Default Service and competitive supplied customers. The Company's Factor proposal would require that default service and competitive supplied customers pay for these charges including renewable portfolio standard, standard market design

Mary L. Cottrell, Secretary

December 24, 2003

Page 2

losses and congestion costs twice, once under the Default Service or Competitive supplier charge and a second time in the Factor. This violates all rules of fairness and cost causation. Thus the Department should not allow recovery of these SOS costs in the Factor. To the extent that they are allowed to be recovered they should be included in the SOAF applicable to SOS customers only. The bonus depreciation credit should be allowed and made applicable to all customers.

Please include the undersigned on the service list for the above dockets.

Very truly yours,

A handwritten signature in black ink, appearing to read "Andrew J. Newman".

Andrew J. Newman

AJN/lms

cc: Amy G. Rabinowitz, Esq.  
Thomas G. Robinson, Esq.  
Joseph Rogers, Esq.  
Jeanne Voveris, Esq.  
dte.efiling  
Service List